



December 31, 2020

### Current Insights from Our Team:

Over the past year, we've seen the COVID-19 pandemic and the response to it disrupt families, businesses, economies and global markets. Our thoughts and prayers go out for all who have endured human loss and hardship.

Vaccine deployment and the natural course of COVID-19 (down dramatically) in areas that have been hit hard are encouraging. Bernstein models, which have been good so far, show the virus essentially disappearing by summer. Dr. Fauci and other experts' estimates are a few months later. As the virus recedes, confidence should improve, and demand is likely to recover.

The market continues to rebound sharply from its March lows, with value strategies showing signs of life in the fourth quarter. Higher GDP growth, higher employment, and greater loan demand could change the locus for interest rates, inflation, and value-oriented shares. Growth stocks have been the prime beneficiary of low inflation, unprecedented interest rates, and coronavirus lockdowns, not to mention massive speculation. If history is any guide, there will be some comeuppance in overpriced shares. The intermediate to longer-term outlook for value looks promising, at least on a relative basis.

We remain fully committed to our investors. Our team is invested right alongside you and the team continues to increase their ownership in the strategies via the FMI Family of Funds. We believe our culture and experience will benefit all as we navigate this challenging time together.

Thank you for your confidence in FMI.